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Coca-Cola **West**

Results briefing for the 1st quarter of Fiscal Year ending December 2012

May 2, 2012

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Agenda

- I. Overview of account settlement for the 1st quarter
- II. Business Plan for the 2nd quarter
- III. Business Model Innovation - Eight Initiatives -

【Reference】

Trend of OTC market share

Mix by brand/by channel

Sales status on Vending machines by sub-channel

1Q Actual sales volume (by package/by channel by package)

2Q Volume plan

Performance trend / managerial KPI trend

Coca-Cola System in Japan / Affiliated companies

Today's summary

1Q results overview

➤ Sales volume: Deployed OBPPC strategy across channels. Our volume exceeded that of PY while entire soft drink market shrank due to consumer's mind for saving and bad weather.

[1Q] $\Delta 0.9\%$ vs. target, $+1.2\%$ vs. PY

➤ Financial results: We failed to hit target for revenue and operating profit in Coca-Cola business though we reduced cost. However, We kept good performance in healthy food business, which resulted in positive revenue/operating profit against target/PY.

[1Q] Consolidated operating profit: 23 MM JPY

($\Delta 600$ MM JPY vs. TGT, $\Delta 1,300$ MM JPY vs. PY)

※ OBPPC : Occasion, Brand, Package, Price, Channel

2Q Plan

Keep initial plan

➤ Volume: 47,325 K cases ($\Delta 0.0\%$ vs. PY)

➤ Revenue: 98,200 MM JPY ($\Delta 5,200$ MM JPY vs. PY)

➤ Operating income: 3,700 MM JPY ($\Delta 900$ MM JPY vs. PY)

Business Model Innovation

Proceed transformation of value chain across company to maximize effects and efficiency



I. Overview of account settlement for the 1st quarter

Account settlement for 1Q (Jan-Mar) - Volume

- Our sales volume was above that of PY though entire market is shrinking
- Market share (volume/value) also expanded

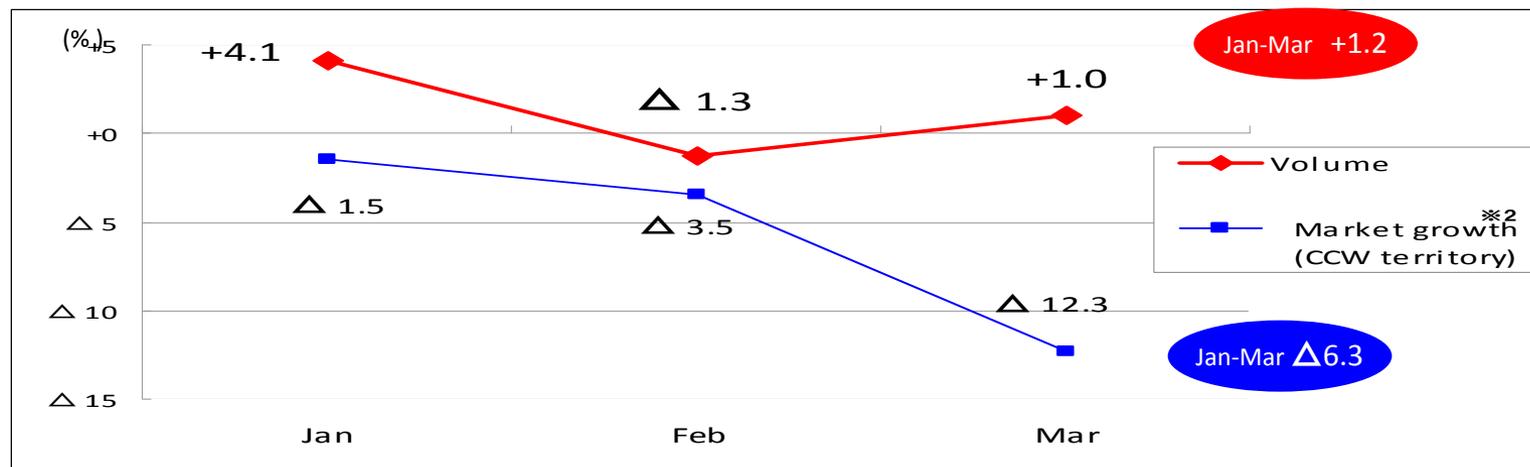
(K cases, %)	2012 1Q actual	Vs. Target		Vs. PY ^{※1}	
		Diff	%	Diff	%
Volume	38,925	△349	△0.9	+477	+1.2

(pts)	vs. PY	
	Volume	Value
Market share	+0.8	+0.4

※1 Conversion ratio of some SKUs were changed so we corrected retroactive to 2011

(Source: Intage)

Monthly volume trend (vs. PY)



※2 Excl. vending & Food Service channel (Source: Intage)

【Weather status (difference from PY)】

	Jan			Feb			Mar		
	Fukuoka	Osaka	Hiroshima	Fukuoka	Osaka	Hiroshima	Fukuoka	Osaka	Hiroshima
Rainfall (mm)	△76.5	+33.5	+9.0	+107.0	△17.0	+24.5	+65.0	+76.5	+85.0
Average temperature (°C)	+2.5	+1.2	+1.8	△2.5	△2.3	△2.3	+1.9	+1.0	+1.5
Day length (hours)	+9.0	△48.7	△32.3	△55.2	△5.2	△30.9	△31.2	△35.0	△66.9

(Source: weather bureau)

Account settlement for 1Q (Jan-Mar) – Sales volume by brand

(K cases, %)		1Q actual	Vs. target		Vs. PY [※]	
			Diff	%	Diff	%
Core 8	Coca-Cola	2,598	+30	+1.2	△ 82	△ 3.1
	Coca-Cola Zero	1,180	△ 32	△ 2.6	△ 57	△ 4.6
	Fanta	1,491	+35	+2.4	+68	+4.8
	Georgia	10,159	+286	+2.9	+280	+2.8
	Aquarius	2,304	△ 299	△ 11.5	△ 536	△ 18.9
	Sokenbicha	1,919	△ 258	△ 11.8	△ 351	△ 15.5
	Ayataka	1,983	+506	+34.3	+860	+76.5
	I-Lohas	1,271	△ 222	△ 14.9	△ 119	△ 8.6
Subtotal		22,906	+47	+0.2	+64	+0.3
Other		16,020	△ 397	△ 2.4	+413	+2.6
Total		38,925	△ 349	△ 0.9	+477	+1.2

※Conversion ratio of some SKUs were changed so we corrected retroactive to 2011

■ Coca-Cola/Coca-Cola Zero/Fanta

- Sparkling market was flat since last year
- Sales of Fanta was good led by impacts of renewal
- Sales volume of entire SSD brands was positive vs target led by Coca-Cola and Fanta

■ Georgia

- CAN coffee market was almost flat since last year
- Georgia had good sales due to contribution of bottle CAN

■ Aquarius

- Sports drink market shrank significantly
- Aquarius grew its market share, but its volume was below target/PY due to shrink of the market

■ Sokenbicha/Ayataka

(Source of market info: Intage)

- NST market shrank due to kickback of sales expansion brought by the disaster in the last year
- While volume of Sokenbicha was below target/PY, tat of Ayataka greatly exceeded target/PY due to impacts of appealing by TV-CM or package renewal
- Sales volume of whole NST was above target/PY

■ I-Lohas

- Mineral water market shrank due to kickback of sales expansion brought by the disaster in the last year
- I-Lohas missed volume target mainly in Chain Store channel
- Market share is growing well

Account settlement for 1Q (Jan-Mar) – Sales volume by channel

(K cases, %)		1Q actual	vs. target		vs. PY ^{※1}	
			Diff	%	Diff	%
	Supermarket ^{※2}	8,819	+233	+2.7	+3	+0.0
	Convenience store	4,988	+26	+0.5	+166	+3.4
Chain Store total		13,807	+259	+1.9	+169	+1.2
Vending		11,594	△ 150	△ 1.3	△ 572	△ 4.7
Retail		2,507	△ 62	△ 2.4	△ 38	△ 1.5
Food Service		4,290	+173	+4.2	+237	+5.9
Other		6,727	△ 570	△ 7.8	+680	+11.3
Total		38,925	△ 349	△ 0.9	+477	+1.2

※1 Conversion ratio of some SKUs were changed so we corrected retroactive to 2011

※2 Supermarket includes Drugstore/Discount/Home center

Chain Store

- Ensuring OBPPC ^{※3} contributed to good product availability around Core8 brands in supermarket, which resulted in positive volume against target/PY
- In convenience store, sales expansion of Georgia bottle CAN made contribution, and sales volume exceeded target/PY

※3 OBPPC : Occasion, Brand, Package, Price, Channel

※4 HORECA : Sub-channels such as Hotel, Restaurant, and Café

Vending

- Volume was behind target/PY mainly on outdoor VM due to bad weather
- On the other hand, revenue per case of vending machines was better than target/PY as we reviewed location of low-price VMs (downsizing) as a part of OBPPC ^{※3}

Food Service

- Volume surpassed target/PY due to new opening activity of HORECA ^{※4}

Account settlement for 1Q (Jan-Mar)

(K cases, MM JPY, %)

	2012 1Q actual	Target	Vs. target		2011 1Q actual	Vs. PY	
			Gap	%		Gap	%
Sales volume ※	38,925	39,275	△349	△0.9	38,449	+477	+1.2
Revenue	84,707	84,900	△192	△0.2	86,465	△1,758	△2.0
Gross profit on sales	42,026	42,800	△773	△1.8	43,190	△1,163	△2.7
Operating profit	23	700	△676	△96.7	1,377	△1,353	△98.3
Ordinary profit	△158	500	△658	—	1,340	△1,499	—
Current net income	△547	△100	△447	—	△522	△25	—

※ Conversion ratio of some SKUs were changed so we corrected retroactive to 2011

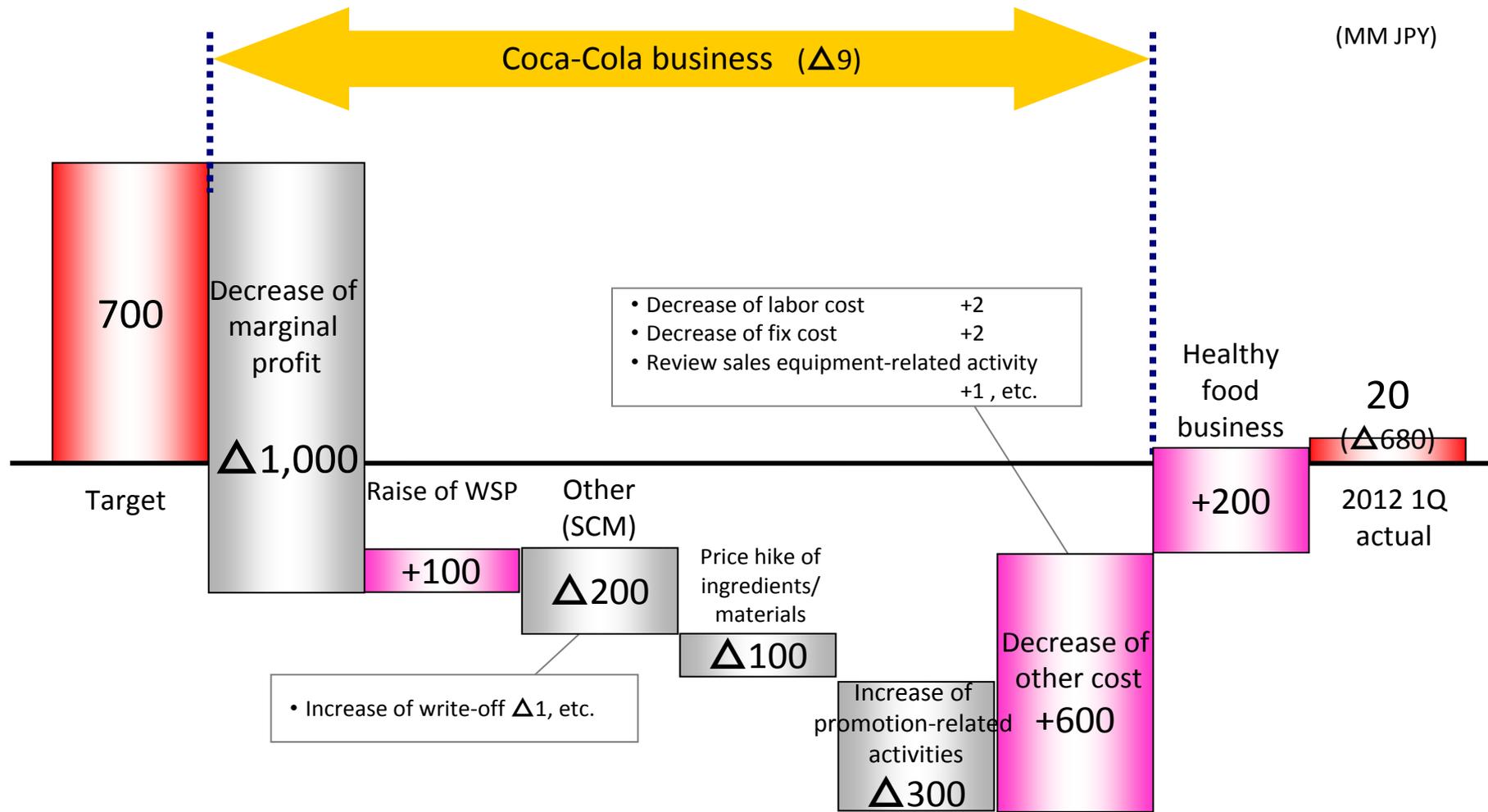


Account settlement for 1Q (Jan-Mar) – Causes of Gap (comparison with Target)

	Target	2012 1Q actual	Gap
Revenue	84,900	84,700	△ 100
Gross profit o	42,800	42,000	△ 700
Operating pro	700	20	△ 600
Ordinary profi	500	△ 100	△ 600
Current net in	△ 100	△ 500	△ 400

(MM JPY)	
Key causes	Gap
•Coca-Cola business	△ 740
•Healthy food business	+540
•Coca-Cola business	△ 1,170
•Healthy food business	+390
Increase/decrease of SG & A	
•Increase of promotion/advertisement cost	△ 390
•Decrease of incidentals	+200
•Decrease of labor cost	+150
•Decrease of transportation cost	+90
•Decrease of expendables cost	+70
•Decrease of depreciation cost	+40
•Healthy food business	△ 240
•Corporate tax, etc.	+190

Account settlement for 1Q (Jan-Mar) – Causes of Decrease of operating income (Comparison with Target)

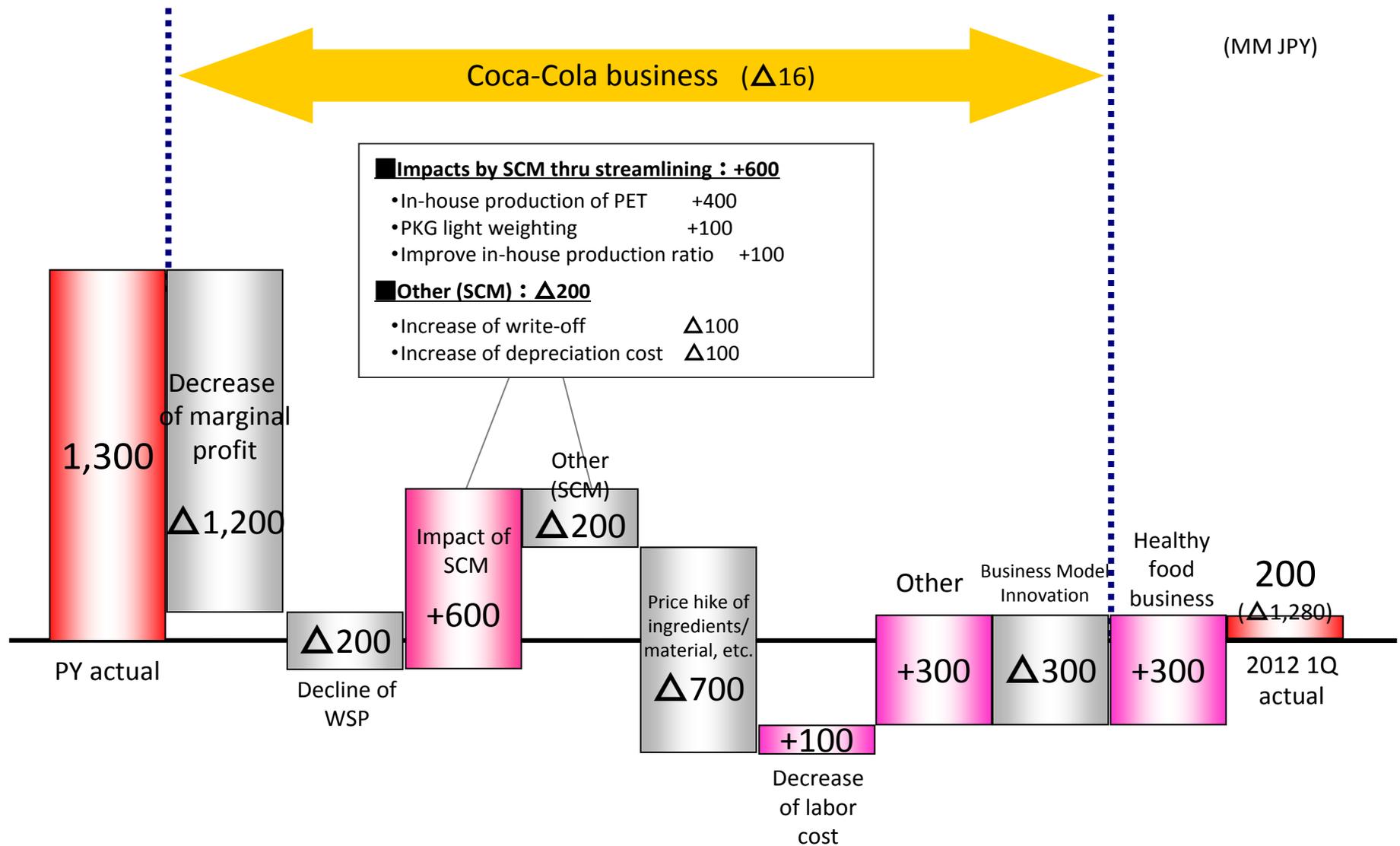


Account settlement for 1Q (Jan-Mar) – Causes of Gap (comparison with PY)

	PY	2012 1Q actual	Gap
Revenue	86,400	84,700	△1,700
Gross profit on sales	43,100	42,000	△1,100
Operating profit	1,300	20	△1,300
Ordinary profit	1,300	△ 100	△1,400
Current net income	△ 500	△ 500	△0

(MM JPY)	
Key causes	Gap
•Coca-Cola business	△2,200
•Healthy food business	+850
•Coca-Cola business	△1,790
•Healthy food business	+770
Increase/decrease of SG & A	
• Increase of outsourcing fee	△270
• Increase of sales commission	△170
• Decrease of sales equipment	+300
• Decrease of depreciation cost	+250
• Decrease of labor cost	+120
• Decrease of promotion/advertisement cost	+80
• Healthy food business	△490
• Decrease of special loss (decrease of asset retirement obligation, etc.)	+1,130
• Corporate tax, etc.	+330

Account settlement for 1Q (Jan-Mar) – Causes of decrease of operating income (comparison with PY)





II. Business Plan for the 2nd quarter



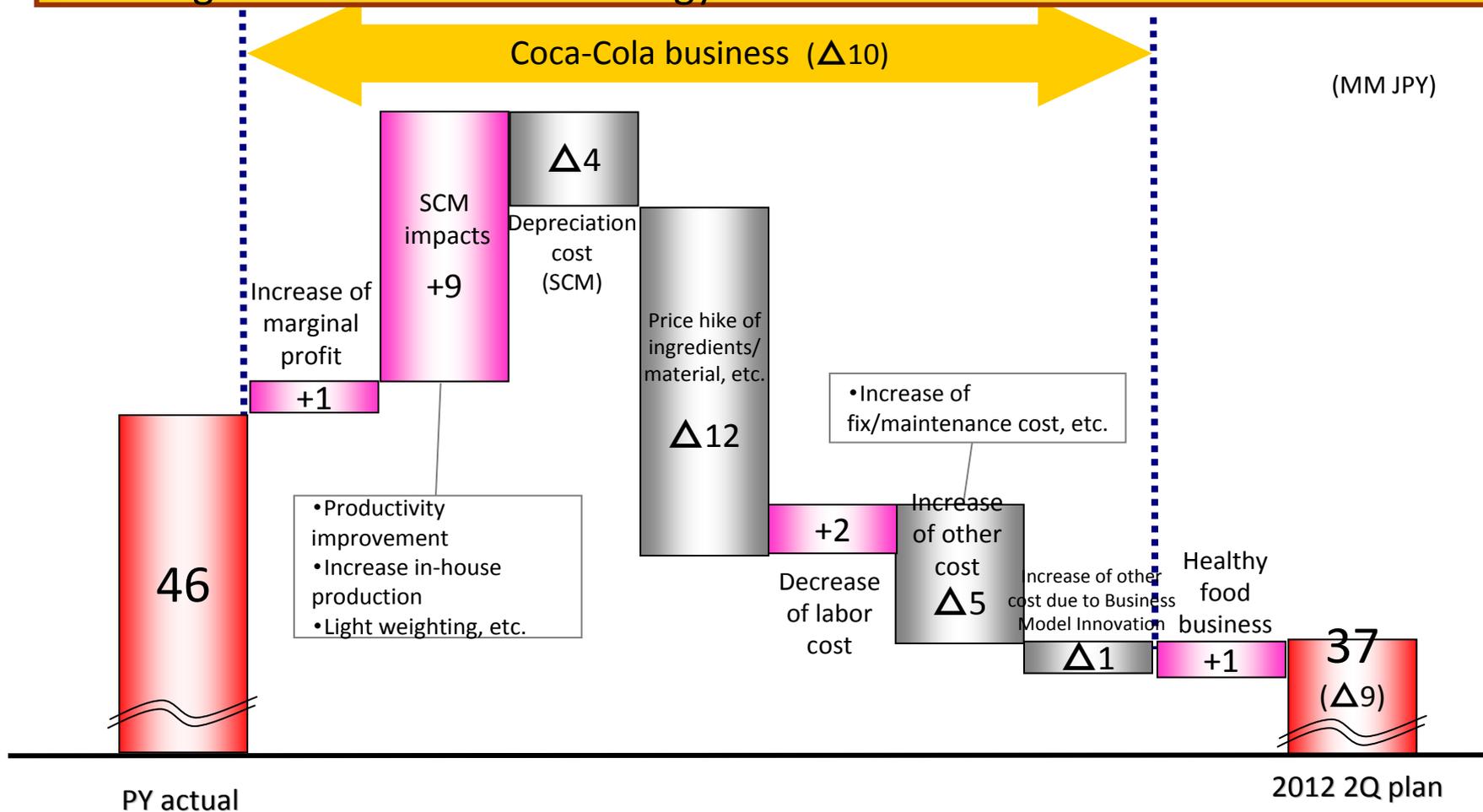
The 2nd Quarter (Apr-Jun) Expected performance

(K cases, MM JPY, %)

	2012 2Q target	2011 2Q actual	Vs. PY	
			Gap	%
Sales volume	47,325	47,328	△ 3	△ 0.0
Revenue	98,200	103,468	△ 5,268	△ 5.1
Gross profit on sales	49,100	49,412	△ 312	△ 0.6
Operating income	3,700	4,637	△ 937	△ 20.2
Ordinary profit	3,800	4,675	△ 875	△ 18.7
Current net profit	2,200	2,885	△ 685	△ 23.8

2Q plan (Apr-Jun) – Scenario to achieve operating profit (comparison with PY)

Performance target for 2Q and full-year shall be as planned at the beginning of the year
 In Coca-Cola business, we are aimed to deliver operating profit target by ensuring to execute OBPPC strategy and Business Model Innovation initiatives



Key activity

NPD/Renewal

Communication

Coca-Cola



- ▶ Leverage London Olympics to a maximum extent
 - Launch Olympics-design bottle/CAN
 - Happy CAN VM promotion

Olympics-design



Happy CAN promotion

Coca-Cola Zero



- ▶ “Coke & Meals” campaign
 - Targeting young people
- ▶ “Coke Zero & Snacks” campaign
 - Dig out home demands



Coke & Meals



Coke Zero & Snacks

Aquarius



- ▶ Leverage London Olympics to a maximum extent
 - Promotion
 - Launch memorial bottle
- ▶ Launch new products

Olympics-design



Key activity

NPD/Renewal

Communication

Georgia



- ▶ Launch new products/new packages



Iced coffee Iced café au lait



Emerald Mountain series
Renewal package



Emerald Mountain series
Renewal campaign

Sokenbicha



- ▶ New campaign “Sou / Ken / Bi”
- ▶ Drive home consumption
→ Deploy “Sokenbi recipe”



New campaign



“Sokenbi recipe”



“Shun” campaign

Ayataka



- ▶ Communicate “homemade taste” (in-store sampling)
- ▶ Campaign at PoCs
→ Suggest confections/meals go well with Ayataka



Renewal package

In-store sampling



Channel strategy - Chain Store

Evolution of OBPPC

⇒ Control price erosion by using new package (prevent price read across sub-channels)

		Supermarket		Discount store	
PET products	SS PET	 300ml	 500ml	 500ml	
	MS PET	 1.0L		 1.25L	
		 1.5L		 2.0L	
Shrink multipack	SSD	 280CAN x 12		 350CAN x 12	
	Georgia	 Georgia CAN x 6		 Georgia CAN x 15	

Better customer management

⇒ Develop clear price guideline by sub-channel/by customer/by region and ensure compliance

⇒ Introduce Pay for performance trading term linked with all activities

Channel strategy - Vending

Evolution of OBPPC

⇒ Improve product lineup for spring and summer

⇒ Deploy low-price vending machines by reviewing impacts

Sub-channel

At-work (office)
Transportation,
hospital, school
Outdoor
Mass retailer



At-work (plants)
Pachinko



All sub-channels

OBPPC

- Expand re-sealable packages
- Enhance lineup of tea



Bottle CAN

SS PET

- Affordable price via CAN
- Full lineup of coffee



Regular

Upsizing



- Deploy value corner at competitor side-by-side locations only with value package



SSD
280mlCAN

Georgia
170mlCAN



III. Business Model Innovation - Eight Initiatives -

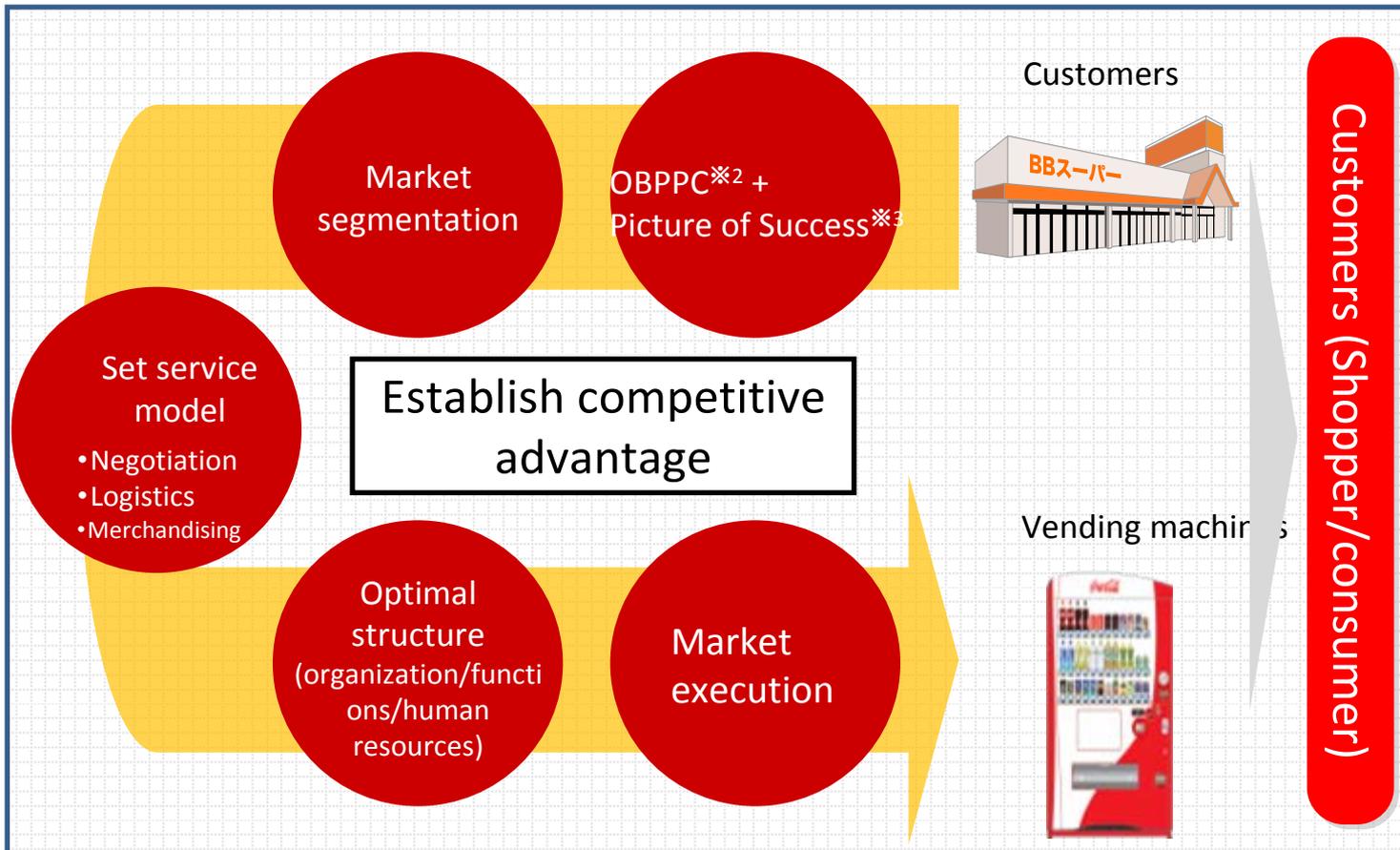
1. Service model optimization (CSS + RTM^{※1})

1Q activity overview

Started to operate service model in pilot branches

2Q activity plan

Full rollout in Osaka (May 1)



Impacts

Visits based on optimized plan

Reduce paperwork of sales force

Expand contacts with customers

- # of outlets to visit
- Call frequency
- Visit time

+

Enhance human development by Sales Coach

Establish competitive advantage

※1 CSS + RTM (Customer Service System + Route to Market) : Framework to assess/design/deploy service strategy for shoppers/customers in the marketplace

※2 OBPPC : Occasion, Brand, Package, Price, Channel

※3 Picture of Success: Ideal points of contact, image of success. Visual guide defining optimal product assortment or equipments by sub-channel

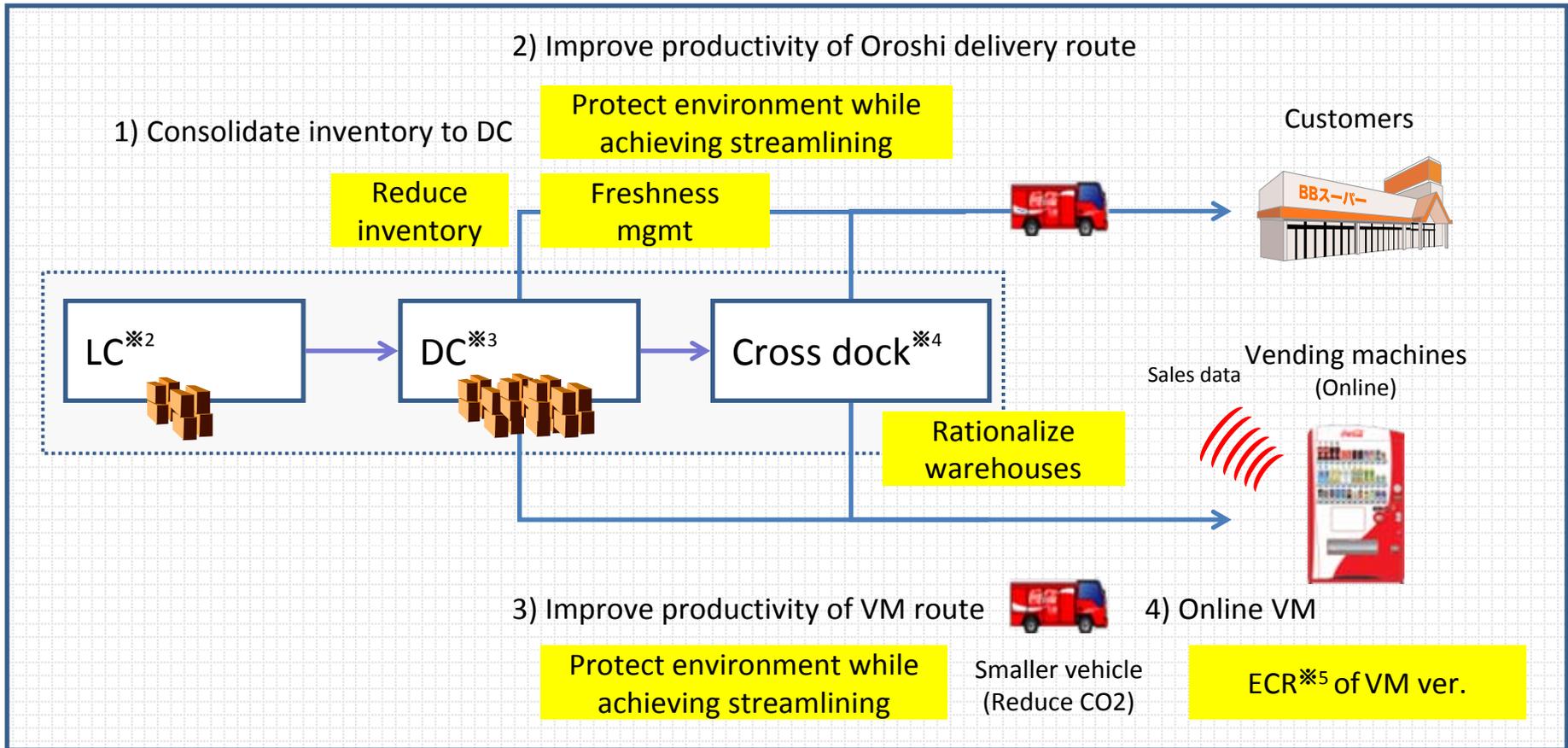
2. Logistics Process Reform

1Q activity overview

Started operation of Distribution Center in Nagasaki and Osaka

2Q activity plan

Introduce new full service ^{※1} model using VM online data in Nagasaki and Osaka



※1. Full Service: VM operation system which CCW place it and manage (replenishment, cash management, etc.) directly

※2. LC: Logistic Center

※3. DC: Distribution Center

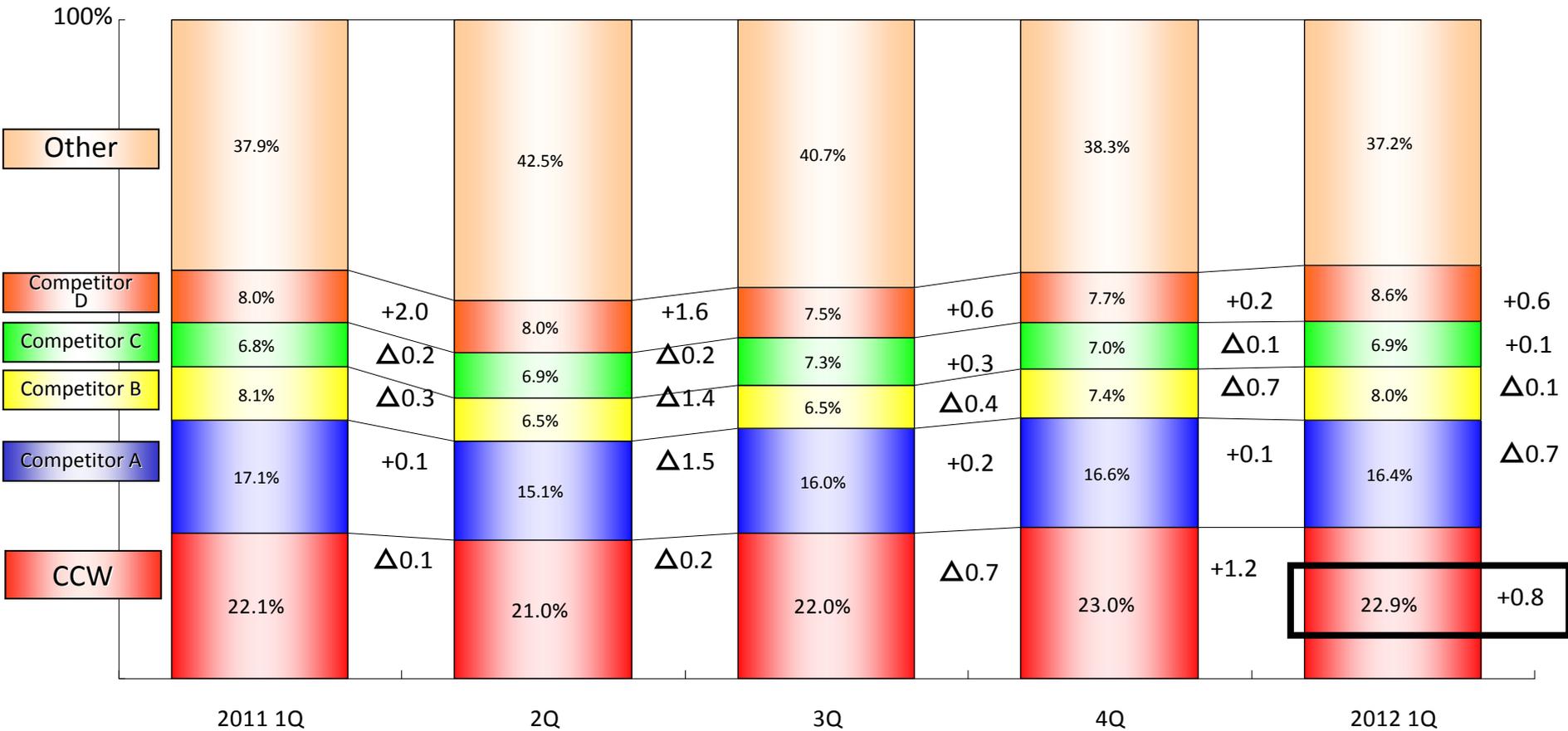
※4. Cross dock: The way in which products are delivered to outlets soon after they arrived at warehouses or delivery centers without storing temporarily

※5. ECR: Efficient Consumer Response. System to streamline whole distribution system to meet customer needs

[Reference]

Trend of OTC market share (Except VM)

(%, pts)



※Values put on side of the bar shows difference vs. that of same period in last year

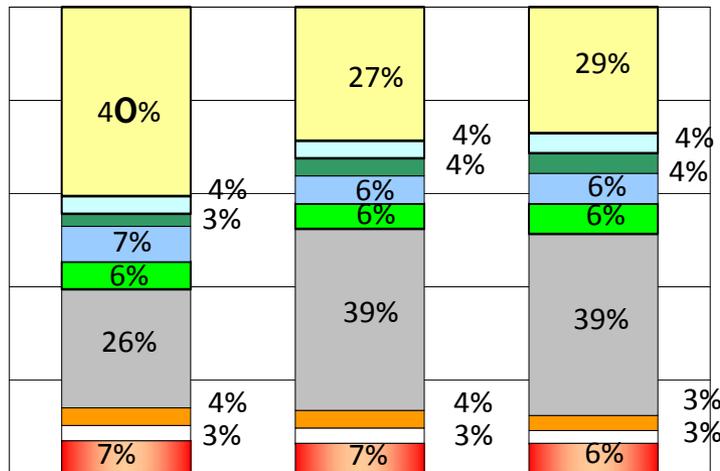
(Source: Intage)

Account settlement for 1Q (Jan-Mar) - Mix by brand/by channel

Brand

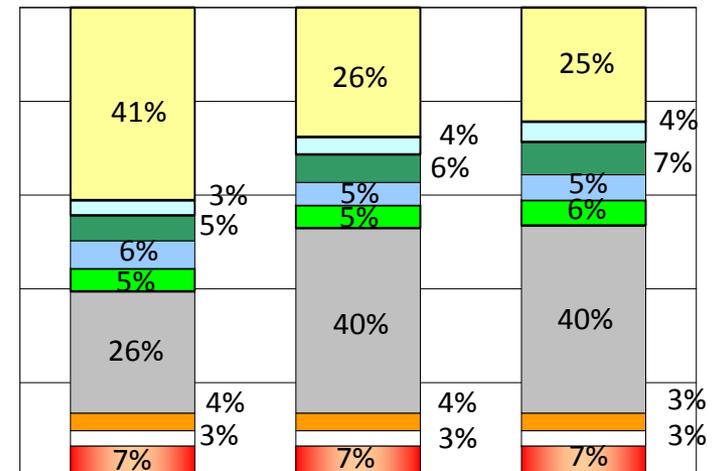


2011



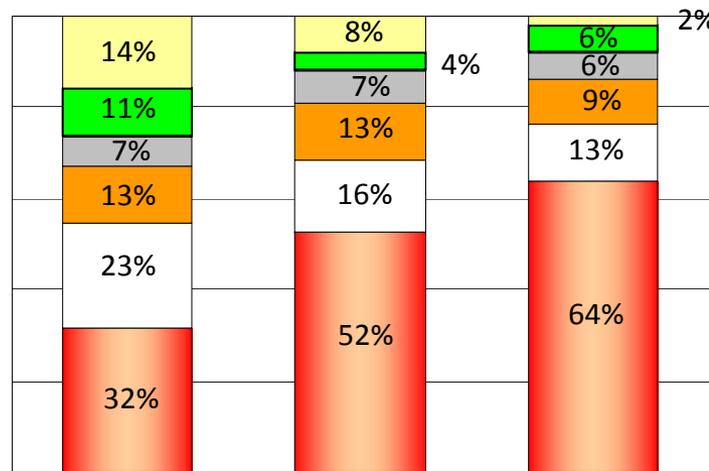
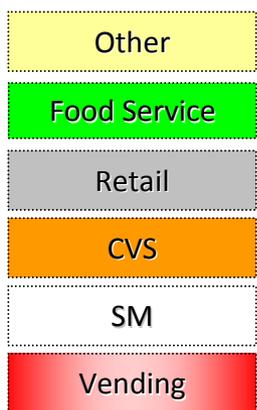
Volume Revenue Gross profit on sales

2012

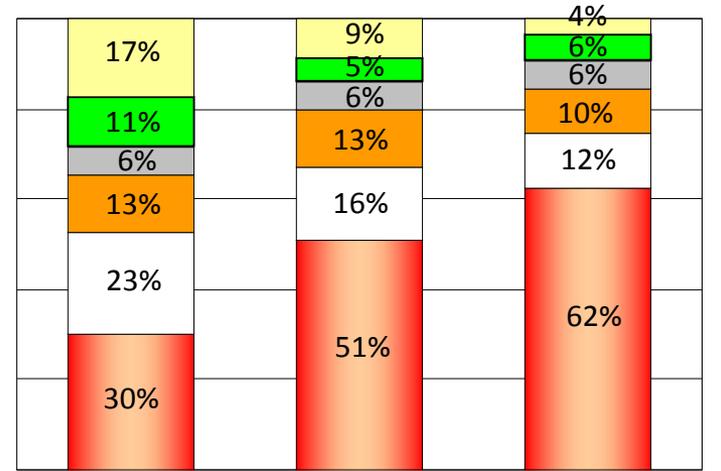


Volume Revenue Gross profit on sales

Channel



Volume Revenue Gross profit on sales



Volume Revenue Gross profit on sales

VM sales status by sub-channel

Vs. PY of VPM* of Full Service CAN VM

Sub-channel	vs. PY (%)			
	Jan	Feb	Mar	Total
At work white	△ 1.2	+ 0.4	△ 4.0	△ 1.7
At work blue	△ 0.3	+ 0.9	+ 1.5	+ 0.7
Mass retailer	△ 2.0	△ 6.3	△ 6.3	△ 4.8
Transportation	△ 1.3	△ 1.5	△ 1.7	△ 1.5
School	△ 0.2	△ 4.9	△ 6.2	△ 3.6
Amusement	+ 1.9	△ 6.3	△ 2.5	△ 2.1
Pachinko	+ 0.5	△ 0.7	+ 0.3	+ 0.1
Sports facility	+ 5.0	△ 6.4	△ 0.3	△ 0.6
Hospital	△ 0.4	△ 0.4	△ 3.0	△ 1.3
Accommodation	△ 1.2	△ 2.7	△ 2.0	△ 1.9
Other (Indoor)	△ 5.1	△ 3.4	△ 6.0	△ 4.9
Outdoor	+ 0.5	△ 4.7	△ 6.3	△ 3.6
Total	△ 0.2	△ 2.7	△ 3.7	△ 2.2

※ VPM (Volume Per Machine): # of bottles sold per machine

Account settlement for 1Q (Jan-Mar) – Volume by package

(K cases, %)

		1Q actual	vs. target		vs. PY ※	
			Gap	%	Gap	%
PET	SS (1,020ml or less)	8,485	△ 773	△ 8.3	△ 77	△ 0.9
	MS (1,021ml or more)	6,236	+205	+3.4	+57	+0.9
	Subtotal	14,720	△ 567	△ 3.7	△ 19	△ 0.1
CAN (Incl. bottle CAN)		12,783	+708	+5.9	+414	+3.3
Other		2,431	△ 201	△ 7.6	+26	+1.1
Syrup, powder		8,991	△ 289	△ 3.1	+56	+0.6
Total		38,925	△ 349	△ 0.9	+477	+1.2

※ Conversion ratio of some SKUs were changed so we corrected retroactive to previous year

Account settlement for 1Q (Jan-Mar) – Volume by channel/by package

■ Chain Store	1Q results	vs. target		vs. PY ※	
		Gap	%	Gap	%
MS (1,021ml or more)	5,731	+101	+1.8	△ 1	△ 0.0
SS (1,020ml or less)	4,410	△ 262	△ 5.6	△ 2	△ 0.0
CAN	3,209	+150	+4.9	△ 40	△ 1.2
Other	458	+270	+144.4	+213	+86.6
Total	13,807	+259	+1.9	+169	+1.2

(K cases, %)

■ Vending	1Q results	vs. target		vs. PY ※	
		Gap	%	Gap	%
MS (1,021ml or more)	38	+25	+183.9	+15	+66.3
SS (1,020ml or less)	2,987	△ 504	△ 14.4	△ 106	△ 3.4
CAN	7,478	+229	+3.2	△ 237	△ 3.1
Other (Bottle CAN, etc.)	862	+125	+16.9	+406	+89.1
Syrup/Powder	228	△ 25	△ 9.9	△ 651	△ 74.1
Total	11,594	△ 150	△ 1.3	△ 572	△ 4.7

(K cases, %)

■ Retail & Food service	1Q results	vs. target		vs. PY ※	
		Gap	%	Gap	%
MS (1,021ml or more)	466	+78	+20.1	+44	+10.5
SS (1,020ml or less)	945	△ 65	△ 6.5	△ 41	△ 4.2
CAN	685	△ 10	△ 1.5	△ 52	△ 7.0
Other	478	△ 46	△ 8.8	+53	+12.4
Syrup/Powder	4,223	+155	+3.8	+196	+4.9
Total	6,797	+111	+1.7	+200	+3.0

※ Conversion ratio of some SKUs were changed so we corrected retroactive to previous year

2Q (Apr-Jun) Volume plan by brand

(K cases, %)

		2Q target	vs. PY	
			Gap	%
C o r e 8	Coca-Cola	3,537	△ 205	△ 5.5
	Coca-Cola Zero	1,633	△ 130	△ 7.4
	Fanta	2,174	△ 149	△ 6.4
	Georgia	9,463	△ 32	△ 0.3
	Aquaius	5,051	△ 390	△ 7.2
	Sokenbicha	3,080	△ 135	△ 4.2
	Ayataka	2,060	+48	+2.4
	I-Lohas	2,295	+614	+36.5
Subtotal		29,294	△ 378	△ 1.3
Other		18,031	+375	+2.1
Total		47,325	△ 3	△ 0.0

2Q (Apr-Jun) Volume plan by channel

(K cases, %)

	2Q target	vs. PY	
		Gap	%
Supermarket*	12,978	+348	+2.8
Convenience store	4,856	+316	+7.0
Cain Store total	17,833	+664	+3.9
Vending	13,636	△ 123	△ 0.9
Retail	3,420	△ 50	△ 1.4
Food Service	4,810	+75	+1.6
Other	7,626	△ 569	△ 6.9
Total	47,325	△ 3	△ 0.0

* Drug store/Discounter/Home center are included in Supermarket

Target for 2Q (Apr-Jun) – Volume plan by package

(K cases, %)

		2Q target	vs. PY	
			Gap	%
PET	SS (1,020ml or less)	11,967	+1,948	+19.4
	MS (1,021ml or more)	8,990	+208	+2.4
	Subtotal	20,957	+2,156	+11.5
CAN (incl. bottle CAN)		13,167	△ 1,460	△ 10.0
Other		3,363	+47	+1.4
Syrup/Powder		9,837	△ 746	△ 7.0
Total		47,325	△ 3	△ 0.0

Target for 2Q (Apr-Jun) - Volume plan by channel/by package

(K cases, %)

■ Chain Store	2Q target	vs. PY	
		Gap	%
MS (1,021ml or more)	8,267	+295	+3.7
SS (1,020ml or less)	5,806	+976	+20.2
CAN	3,249	△ 614	△ 15.9
Other	511	+8	+1.5
Total	17,833	+664	+3.9

(K cases, %)

■ Vending	2Q target	vs. PY	
		Gap	%
MS (1,021ml or more)	39	△ 46	△ 53.9
SS (1,020ml or less)	4,796	+1,001	+26.4
CAN	7,745	△ 939	△ 10.8
Other (Bottle CAN, etc.)	823	+218	+36.0
Syrup/Powder	233	△ 357	△ 60.5
Total	13,636	△ 123	△ 0.9

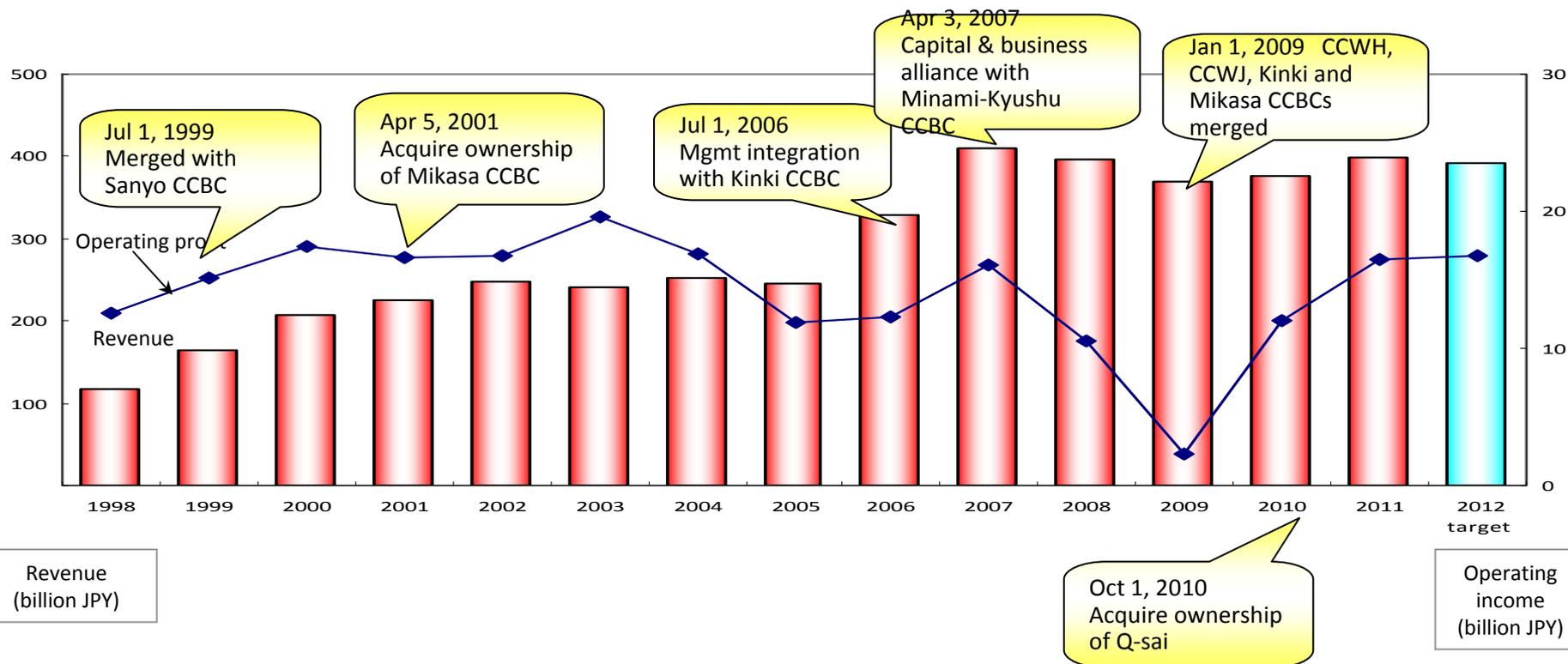
(K cases, %)

■ Retail & Food service	2Q target	vs. PY	
		Gap	%
MS (1,021ml or more)	684	△ 40	△ 5.5
SS (1,020ml or less)	1,255	+4	+0.3
CAN	916	△ 42	△ 4.4
Other (Bottle CAN, etc.)	663	+91	+16.0
Syrup/Powder	4,713	+11	+0.2
Total	8,230	+25	+0.3

Performance trend

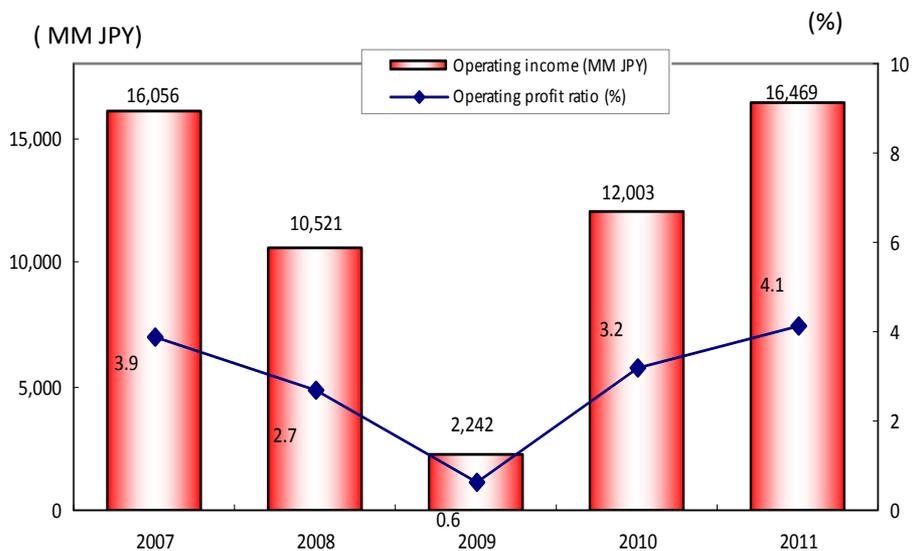
(MM JPY)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012 Target
Revenue	117,991	164,731	207,827	226,111	247,737	240,825	253,248	245,874	327,821	409,521	395,556	369,698	375,764	399,717	391,500
Operating profit	12,533	15,160	17,449	16,634	16,704	19,638	16,860	11,830	12,321	16,056	10,521	2,242	12,003	16,469	16,700
Ordinary profit	12,510	15,889	18,516	16,021	17,005	19,895	17,065	12,256	13,225	17,493	11,048	2,085	12,659	16,044	16,800
Net profit for the year	5,872	6,823	5,700	1,420	7,086	9,380	8,564	7,305	7,570	9,375	129	△7,594	7,582	6,997	9,100

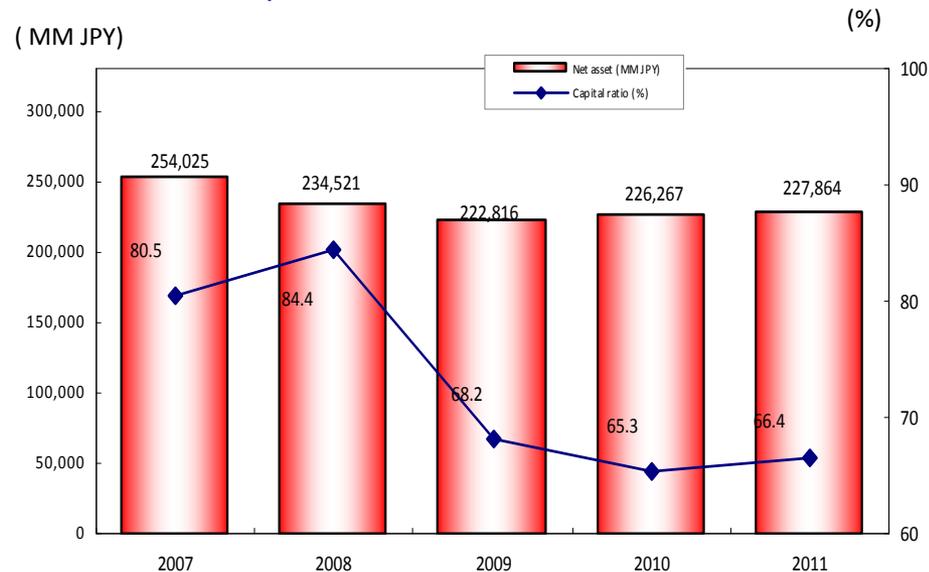


Changes of Management metrics

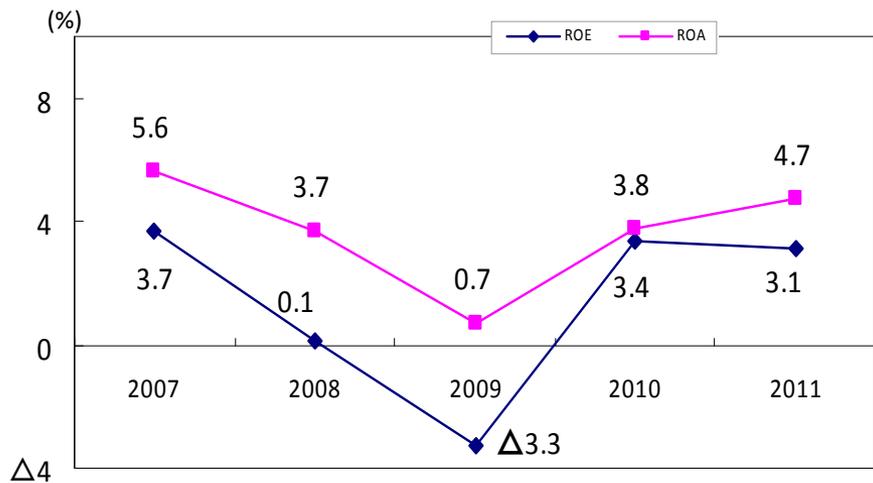
<Operating profit/operating profit ratio>



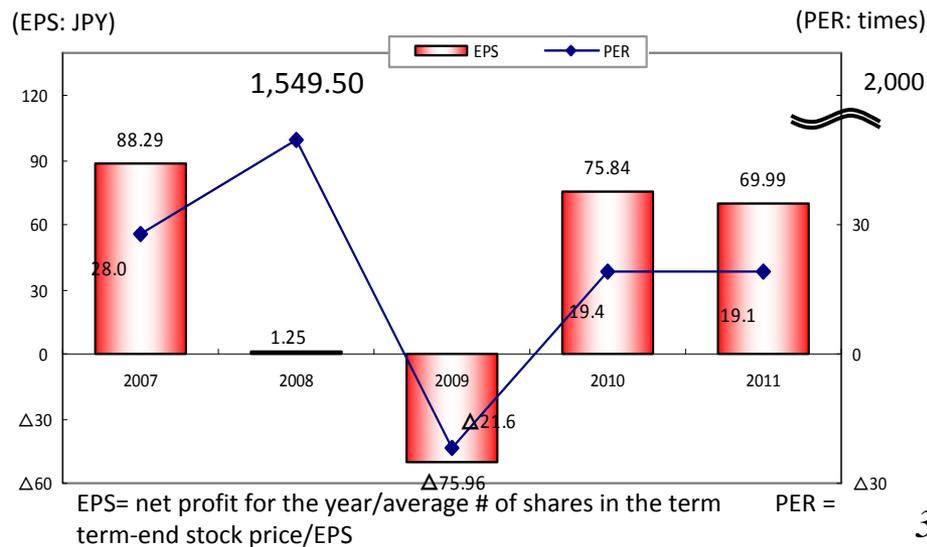
<Net asset/capital ratio>



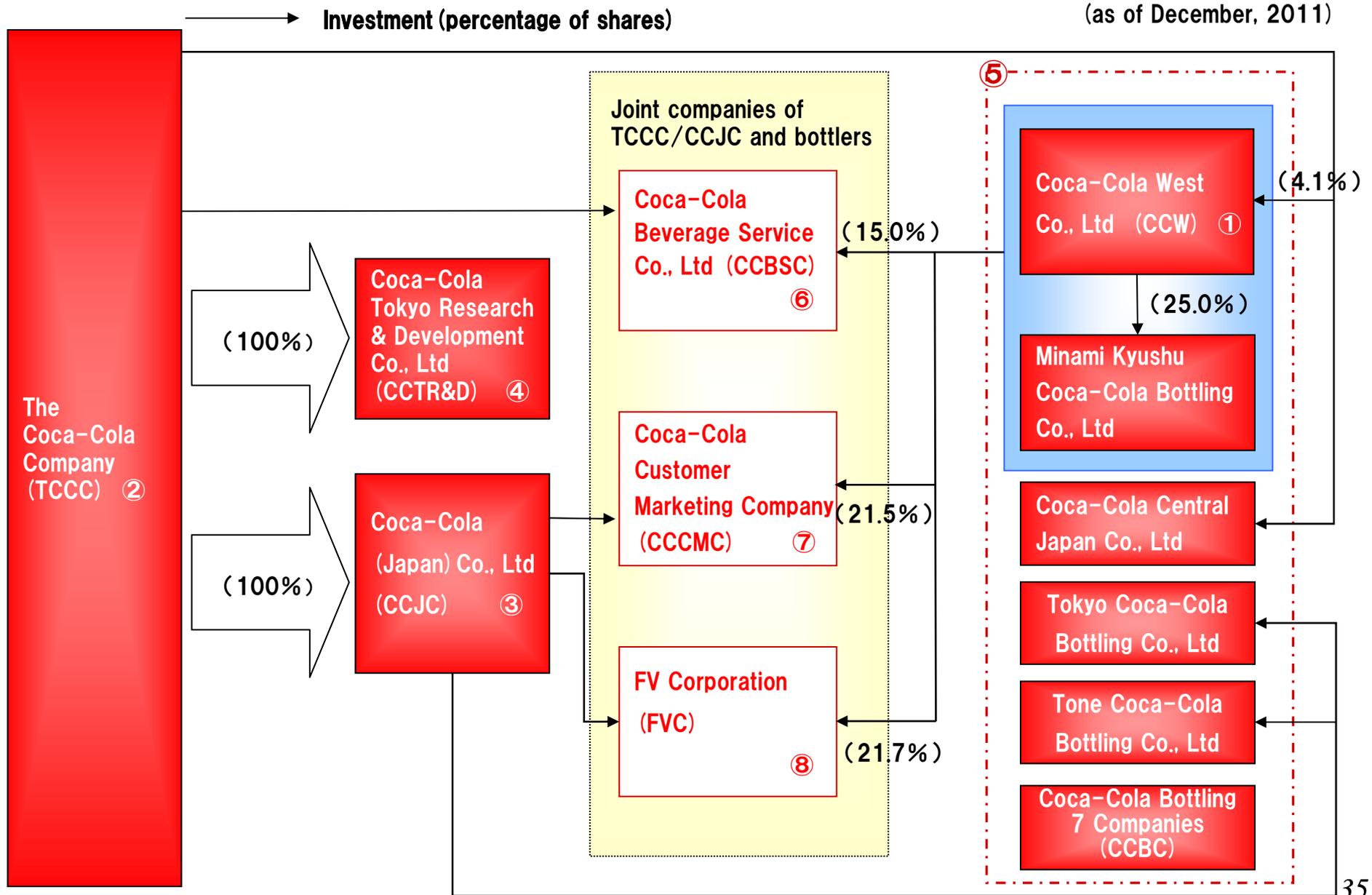
<ROA/ROE>



<EPS/PER>



Coca-Cola system in Japan



Coca-Cola related companies and their roles

1. Coca-Cola West Co., Ltd. (CCW)

In 2006, CCWJ and Kinki CCBC merged the management of both companies by establishing a joint holding company CCWH. In 2009, CCWH, CCWJ, Kinki CCBC and Mikasa CCBC merged and the trade name changed to Coca-Cola West Co., Ltd.

2. The Coca-Cola Company (TCCC)

Established 1919 in Atlanta, Georgia. Carries the rights to grant a license to manufacture and sell Coca-Cola products to the bottlers. TCCC (or its subsidiary) makes franchise agreements with the bottlers.

3. Coca-Cola (Japan) Co., Ltd. (CCJC)

Established 1957 in Tokyo, as “Nihon Inryo Kogyo K.K.,” a wholly-owned subsidiary of The Coca-Cola Company. The company name was changed in 1958 to Coca-Cola (Japan) Company, Limited. CCJC is responsible for marketing planning as well as manufacturing and distribution of concentrate in Japan.

4. Coca-Cola Tokyo Research & Development Co., Ltd. (CCTR&D)

Established in January 1993 as a wholly-owned subsidiary of The Coca-Cola Company. Since January 1995, carries out product development and technical support to respond to the needs of the Asian region.

5. Coca-Cola bottlers (CCBCs)

There are 12 bottlers in Japan, which are responsible for selling Coca-Cola products in the respective territories.

6. Coca-Cola Business Service Co., Ltd. (CCBSC)

Established through joint investment by TCCC and its bottling partners in Japan, in June 1999. It is charged with providing business consulting services to the Coca-Cola system in Japan, as well as developing and generally maintaining the information systems to support such work. The company procures raw materials.

7. Coca-Cola Customer Marketing Company (CCCMC)

Established through joint investment by Coca-Cola (Japan) Co., Ltd. and all of its bottling partners in Japan, and the company began operations on January 1, 2007. It is charged with holding business negotiations with major retailer outlets, such as nationwide convenience stores and supermarket chains, as well as developing proposals for sales promotions and storefront activities.

8. FV Corporation Co., Ltd. (FVC)

Jointly established in May 2001 by CCBCs and CCJC. FVC carries out sales negotiations with national chain vending operators, and deals with non-KO products as well as KO products.

Glossary

Term	Explanation
Channel (Business unit)	
Vending	Retail sale business to distribute products through vending machines to consumers
Chain store	Wholesale business for supermarket chain
Convenience Store (CVS)	Wholesale business for convenience store chains
Retail	Wholesale business for grocery stores, liquor shops, and other over-the-counter outlets
Food Service	Syrup sale business for restaurants, movie theaters, sports areas and theme parks
Vending	
Regular vending machine	A vending machine offered free of charge to a customer who supervises its operation and uses it to sell products purchased from us
Full service vending machine	A vending machine installed and managed directly by us
Out-market vending machine	An outdoor machine whose users are relatively unspecific
In-market vending machine	An indoor machine whose users are relatively specific
VPM	Volume Per Machine
VPPM	Volume and Profit Per Machine
Chain store	
National chain	National chain supermarket that CCCMC are responsible for negotiating
Regional chain	Chain supermarket that owns its stores in the two or more bottlers' territories
Local chain	Chain supermarket that owns its stores in the single bottler's territory
Other	
Trade marketing	Trade marketing is a specific function that uses shopper and retail knowledge to develop in-store strategies that ultimately result in higher brand equity and an increase in the quantity and value of shopper purchases
OBPPC	Occasion, Brand, Package, Price, Channel
PicOS	Picture Of Success
HORECA	Hotel, Restaurant, Caf�, etc

Forward-looking statement

The plans, performance forecasts, and strategies appearing in this material are based on the judgment of the management in view of data obtained as of the date this material was released. Please note that these forecasts may differ materially from actual performance due to risks and uncertain factors such as those listed below.

- Intensification of market price competition**
- Change in economic trends affecting business climate**
- Major fluctuations in capital markets**
- Uncertain factors other than those above**